

# **2009 Natural Gas Rate Proposal**

***City Council***

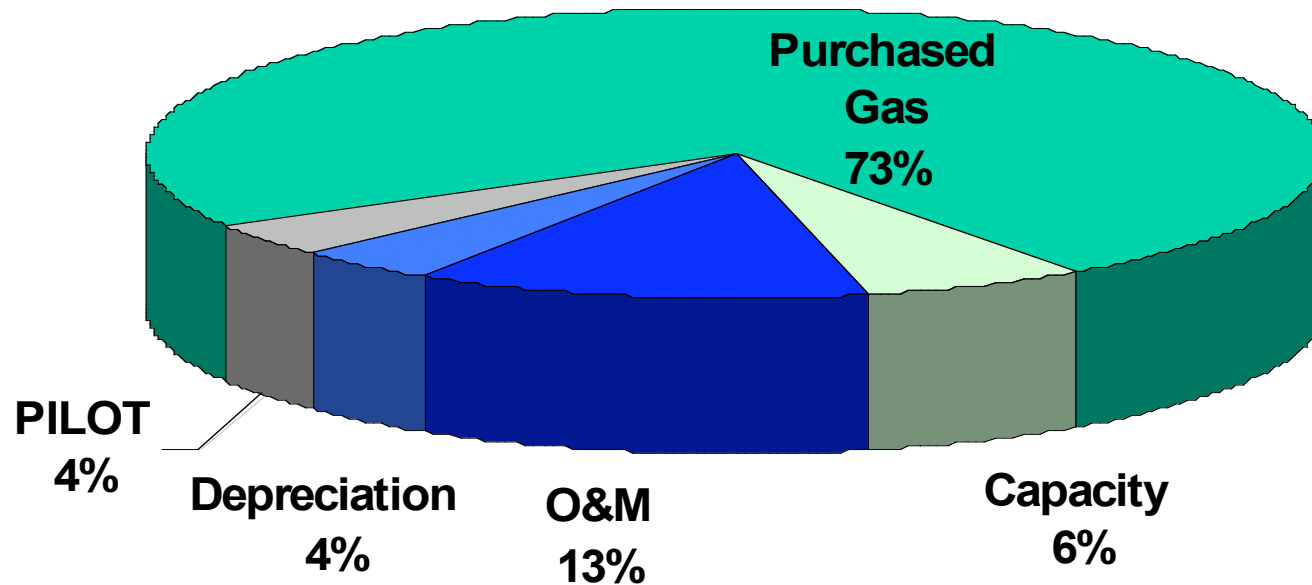
**April 1, 2008**



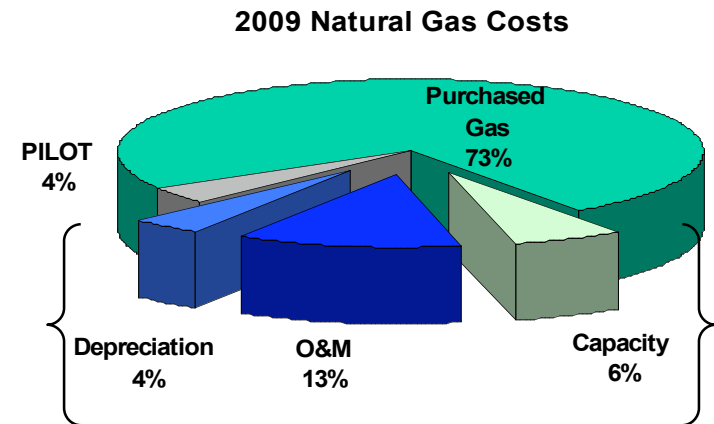
***Bringing Power Home.***

# Natural Gas Costs

**2009 Natural Gas Costs**



# Operating Costs



- Since 1999, inflation has increased by 29%, while non-fuel costs per customer have increased 20%.
- Non-fuel expenses per customer have increased at a rate less than inflation.
- Regulatory requirements and material inflation have contributed to increased non-fuel expenses.
- Non-fuel expenses are recovered through base rates.

# Revenue Requirements

Cost of Service	\$ 3,850,000
Additional Requirements	
Regulatory (Main and Service Replacement)	400,000
Pressure (Eastern Loop, Tie-ins)	300,000
Gas Conservation Programs	250,000
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Subtotal Revenue Requirements	\$ 4,800,000
PILOT Requirements	200,000
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Total Revenue Requirements	\$ 5,000,000

# Proposed Rates

## *Customer Charge \$ / Month*

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Residential	8.25	10.00
General Service	25.00	28.00
Curtable	375.00	600.00

## *Commodity Charge \$ / Therm \**

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Residential	0.1790	0.2125
General Service	0.1790	0.2125
Curtable	0.0500	0.0500

*\*plus the cost of natural gas*

# **Customer Impact**

## **Average Increase in Customer Bills**

<b>Residential</b>	<b>\$ 3.91 / month</b>
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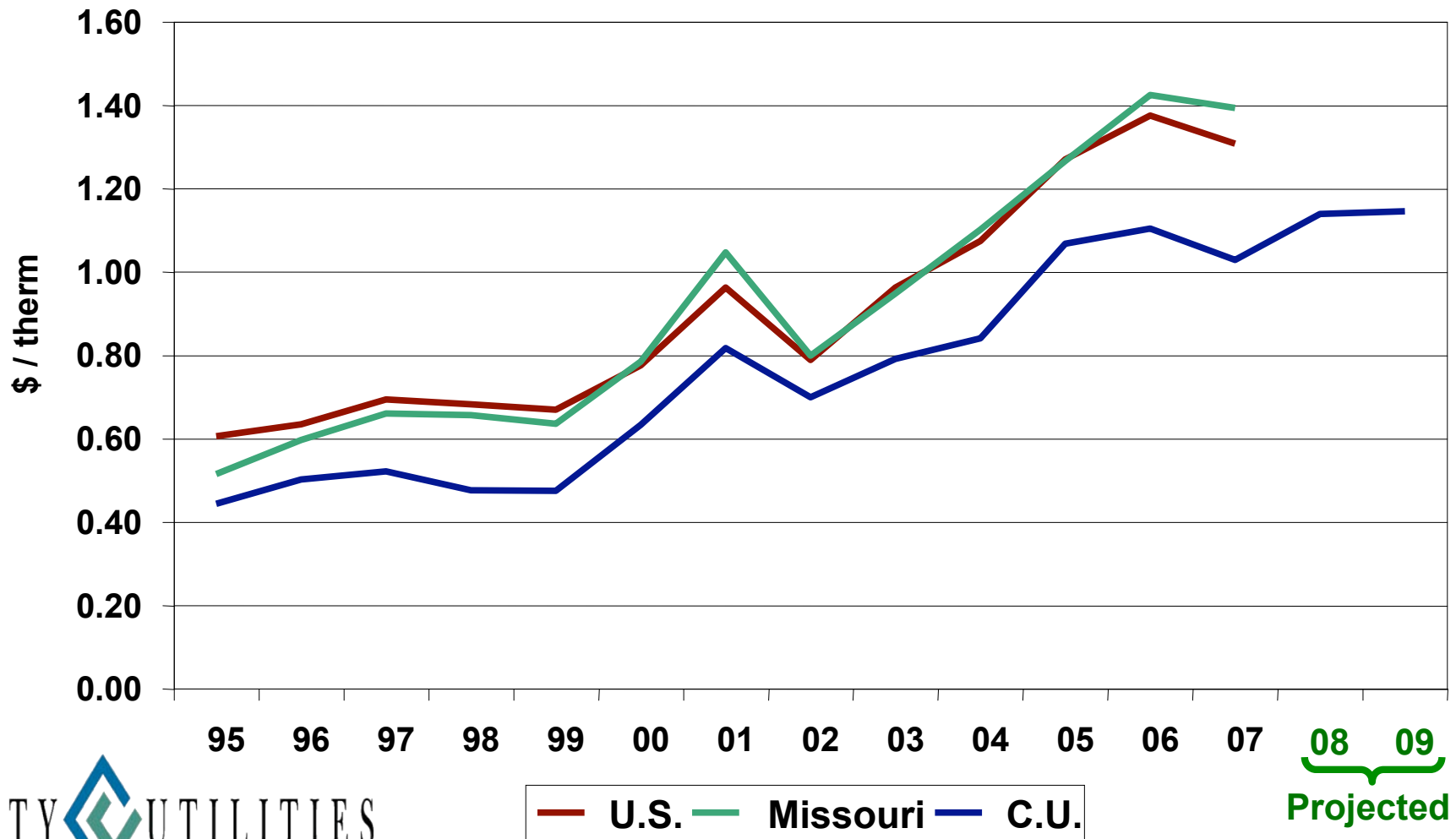
<b>General Service</b>	<b>\$ 14.58 / month</b>
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# Rate Increase Summary

- **Effective October 2008**
- **\$5 Million, Fiscal 2009**
- **4.1% Revenue Increase**
- **Residential Impact: \$3.91 / month**

# Rate Comparison

## Residential Average Delivered Price per Therm





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